



USAID
FROM THE AMERICAN PEOPLE

CROATIA

Overview of Programs

November 2005



USAID ASSISTANCE TO CROATIA

The USAID assistance program is aimed to help Croatia continue progress toward a prominent place within the community of democratic and market-oriented nations, and to become a force for stability, peace, cooperation and prosperity throughout Southeast Europe. Croatia's integration into regional and Euro-Atlantic institutions, developing positive relations with other states in Southeast Europe, and managing transnational threats are essential to achieving U.S. bilateral and regional foreign policy goals.

Over the last twelve years the USAID program has evolved from humanitarian assistance and reconstruction efforts to a program that is supporting Croatia's successful transition to a free market-oriented economy and democratic government. Croatia's has achieved significant, yet still fragile progress toward macroeconomic stability, growth, and strengthening of democratic institutions. Still, it lags behind the reform levels achieved by Northern Tier East European nations (Poland, Czech,

Hungary, Slovakia) at their graduation from U.S. assistance. While accession may not come for several years, Croatia sees its future as a fully integrated member of the EU.

Croatia's economy, although robust in comparison to other East European countries, still generates less than one-third of the average per capita incomes of EU states. It is plagued by high unemployment rate hovering between 14 and 16% and low competitive capacity in international markets. In order to achieve sustainable economic growth and eventually lower unemployment, the government must accelerate privatization, reduce bureaucracy, and improve the investment climate. There is a need for increased effort against corruption through more effective application of the rule of law.

Croatia's democratization has been less impressive. It lags behind Northern Tier states on all major reform indicators especially in rule of law, public

governance and corruption. There have been however significant improvements since 2000 in free and fair elections, civil society, and independent media.

USAID Croatia's program will end in 2008. The U.S. administration decided that bilateral funding for Croatia would extend through FY 2006, and these funds would provide adequate resources to successfully "graduate" Croatia. USAID's goal is to promote measurable levels of sustainable reform comparable to Northern Tier East European countries at their SEED graduation.

Over the next few years we expect Croatia will achieve these targets, while our program will leave behind lasting results, and lay the groundwork for longer-term structural and institutional reform efforts of the European Union (EU), World Bank and other international financial institutions (IFIs) – all as part of the Graduation Plan.

Over the last two years USAID has consolidated its portfolio from four Strategic Objectives to two corresponding to our interest in promoting a dynamic private sector and participatory democratic governance.

USAID assistance in the Private Sector supports programs in small and medium enterprise promotion and agribusiness. Stimulating and addressing demand for programs in the lesser-developed areas of Croatia, including the war-affected regions is a high priority.

Under the Democracy and Governance portfolio, USAID's activities include building grassroots demand for continuing democratic reform through civil society activism and transparent and enhanced local governance. This will ensure that we leave behind deeply-rooted and sustainable reforms by program graduation.

In addition, the USAID program will support cross-cutting initiatives that incorporate anti-corruption, participant training and environmental protection activities in all areas of the portfolio. The USAID/Croatia staff includes four U.S. Direct Hire Foreign Service Officers, three U.S. Personal Services Contractors (USPSCs), and 24 Foreign Service Nationals (FSNs).

BELOW:

The "Baby Eva" Pregnant Women's Club in Split is an example that citizens can take action and make a difference. With USAID assistance, they successfully changed a practice at the City of Split's maternity hospital that restricted fathers from being present during the birth of their children. Over 50,000 people signed a petition, including a number of local celebrities. The project included a media campaign, roundtable discussions and promotional publications that included many medical, legal and local business volunteers.



SMALL & MEDIUM ENTERPRISES



By assisting 4,000 enterprises in Croatia, USAID will help create 20,000 new jobs.

LEFT

D&D Metal, a small Croatian company in Osijek joins the supply chain of the large multinational conglomerate ThyssenKrupp as a result of ESP project's referral system.

Croatia's potential for economic growth is hampered by inadequate investment in production, low levels of productivity, and a complex legal and regulatory environment. However, pockets of strong entrepreneurial activity are demonstrating Croatia's capacity to seize and convert market opportunities into business success.

USAID's Enhancing Small and Medium Enterprises Project (ESP) assists 4,000 enterprises individually, in supply chains and in established clusters to increase their revenues, exports, and investment levels.

As a result the program will generate 20,000 new jobs. One third of these new jobs will be created in rural or disadvantaged areas of Croatia. ESP operates through a network of public and private organizations at the national, regional and local levels.

ESP assistance concentrates on brokering information, methodologies and technologies that enhance export readiness, product development, bank and non-bank financing, business

strategy formulation and the adoption of appropriate business models, practices and technologies. It does not provide direct financial support to organizations and enterprises.

ESP's offices are located in Zagreb, Osijek, Split and Pula.

Results

The ESP project was initiated in November 2004. To date its accomplishments include:

Three hundred enterprises have become first-time bank borrowers in less than three months. These companies will generate additional business revenue and expand market opportunities.

With ESP assistance, an export company was formed to handle the export sales of approximately 30 smaller food processing companies to the European Union. These companies now have access to export markets that they were not able to access individually before. The planned growth in market opportunity is expected to lead to expanded revenue and increased employment among the companies.

Implementing partner: The DAI/Nathan Group

Partners: Croatian Agency for Small SMEs (HAMAG), Adriatic Zagreb, Association of Management Consultants, Medimurje Regional Development Agency (REDEA), and the Istrian Development Agency (IDA), VABA Bank, Poteza Partners, Ascendant, Croatian Exporters Association, Association of Family and Small Hotels, Croatian Employers Association, Nova Gradiska Regional Development Office, LEDA (Local Economic Development Agency), Bjelovar Business Park, Virovitica-Podravina County Entrepreneur Center, Sibenik-Knin County Entrepreneur Center, Zadar County Entrepreneur Center, Regional Institution for Enhancement of SMEs PRIMA, Knin City Entrepreneur Center, City of Dubrovnik and Dubrovnik-Neretva County Entrepreneur Center, Development Agency North, Croatian Bank for Reconstruction and Development (HBOR)

SMALL & MEDIUM ENTERPRISES



Growth of a Dynamic and Competitive Private Sector

AGRIBUSINESS (ACE)

The collapse of large, vertically integrated agricultural producer/processor conglomerates during the 1990's hurt the competitiveness of Croatia's agricultural products. In order to meet the daunting challenge of competing directly with the heavily subsidized EU agriculture, Croatia's agriculture industry is moving quickly to strengthen its competitiveness, expand processor utilization of domestic inputs and develop export markets.

As part of this effort, the Agribusiness Competitiveness Enhancement (ACE) project assists Croatia's agribusinesses (consisting mostly of small and medium enterprises), to improve domestic market linkages between producers, processors and wholesale/retail outlets. The project operates across the country and is organized around the 3 components: dairy, swine and horticulture. Technical assistance is provided from 3 project offices located in Zagreb, Osijek and Split.

The project works on all levels of the food chain but the primary focus is on

the development of "competitive production models" that can be replicated through major processors and retailers to their suppliers -- Croatian agricultural producers.

ACE has agreements with 47 technical assistance partners representing almost 4000 farm producers. Over 2200 farmers received technical assistance and/or participated in training programs.

The project collaborates with Podravka, Lura and other large Croatian food processors to jointly improve farmer skills, productivity and quality.

Technical assistance is also provided to small and medium size food companies and processor groups to improve processing efficiency, product quality and increase the demand for products from Croatian farmers.

Results

Technical assistance has increased production by 5,439 metric tons generating over \$3,000,000 in additional farm revenues.

Assistance in farm management and production to the Domacinovic dairy farm, located in the war-affected region, resulted in improved milk quality, it increased production by 1,330 metric tons and generated sales of approximately 3 million kuna.

Improved production and product quality for 40 fruit and vegetable producers at Plodovi ravnice resulted in increased production by 900 metric tons and sales of 3.4 million kuna.

As a result of USAID assistance to the Acas agriculture cooperative, 100 hundred swine producers increased production by 105 metric tons and increases sales by nearly one million kuna.

Implementing partner: Development Alternatives Inc. (DAI)

Partners: Croatian agribusiness SMEs; Croatian agricultural producers; Croatian agricultural associations and cooperatives; Ministry of Agriculture, Forestry and Water Management; Croatian agro-tourism sector; agricultural financial institutions

USAID assists Croatian farmers, producers and processors to raise the competitiveness of the Croatian agricultural sector in order to compete in national and regional markets.



LEFT

Reliable and lower priced water supply is a major problem for tomato growers supplying Podravka, a major regional tomato and food processor. To address this problem, USAID and Podravka jointly implemented a pilot project to test new methods of tomato irrigation and fertilization. The demonstration achieved a 43% drop in water usage and a 21% increase in yields, resulting in a bottom line increase in revenue of 28% to the farmer. Replication of this model to an estimated 100 farmers next year is expected to generate approximately \$200,000 in additional revenue.

AGRIBUSINESS



Growth of a Dynamic and Competitive Private Sector

AGRIBUSINESS (RIEDA)

For thousands of residents in Croatia's rural areas employment is their number one concern. In most of these areas agriculture and value-added agriculture "processing" activities are often sources of earning an income. Yet, the small size of landholdings in most areas, lack of capital assets and the need for basic information, management and agricultural production skills, pose serious constraints to growth of this sector.

USAID's Raising Incomes in Economically Distressed Areas (RIEDA) has a single objective: increased and sustainable agriculture employment and incomes in disadvantaged areas. The project works directly with farmers or farm associations to improve operations, product quality, processing capacity that create valuable new jobs.

The RIEDA project also works hand in hand with USAID's Agribusiness Competitiveness Enhancement (ACE) project by helping small "subsistence level" producers expand production to that of a commercial or emerging commercial farmer.

This additional production is being marketed through domestic linkages among producer organizations, processors, distributors, wholesalers and retail organizations identified and supported by the ACE project.

RIEDA already assists 21 producer organizations and five small food processors representing approximately 2500 family farms. 477 farmers received technical assistance in farm management and participated in training programs with 231 farm families becoming sustainable in calendar year 2004.

Results

Over the past year, 295 jobs were created with USAID assistance. The Veronika dairy factory is one example where two new jobs were created and the dairy's product shelf life increased 100%, product quality by 30% and entire production by 10%.

Twenty-five farmers at the Varazdin Cattle Breeders Association and 20 dairy farmers supplying the KIM dairy processor are now employed full-time

as a result of assistance with improved product quality and production. Eight new jobs were created for olive and vegetable producers in war-affected Kistanje. USAID provided assistance with marketing, production techniques and training in processing procedures and operator training.

At the Zagora agriculture cooperative another ten dairy farmers have full-time jobs and 300 producers increased production by 10%.

Implementer: Development Alternatives Inc. (DAI)

Partners: Emerging commercial and non-commercial farmers, cooperatives, farmer associations, traders, processors; Ministry of Agriculture, Forestry and Water Management; Ministry of Economy, Labor and Entrepreneurship; Association of Cooperatives; municipality and regional authorities; agricultural and micro-finance institutions

The Raising Incomes in Economically Distressed Areas (RIEDA) program, will create 2000 sustainable jobs in Croatia's disadvantaged areas.

RIGHT

USAID assistance to a strawberry farmer cooperative in Valpovo increased Croatia's strawberry plantings by almost 10%. As a result, the cooperative dramatically increased sales to a major retail grocery chain and 35 farmer members are now employed full-time.



FINANCIAL SECTOR SUPERVISION

In support of the Government of Croatia's plan to deepen the financial sector in order to promote private sector development and investment, USAID is assisting the Croatian National Bank (CNB) in its efforts to maintain macroeconomic stability.

Technical assistance and training is provided in the areas of bank supervision, monetary operations, internal audit, payment systems and research. By improving the legal and regulatory environment for financial institutions, this program also increases the safety and soundness of the financial system.

Technical assistance improves skills and develops the institutional capacity of the CNB to carry out its responsibilities as supervisor of the largest segment of the financial sector.

USAID-sponsored training conducted by internationally recognized professionals is fostering greater accountability, independence and self-reliance of local financial institutions.

Over the long-term, this program will stimulate the flow of available investment capital towards its most productive uses, and contribute to job creation, private sector growth and a more robust economy. A competitive, stable and well regulated banking sector is a prelude to ensuring a steady supply of financing to Croatian enterprises and a prerequisite for a favorable investment climate.

Results

Technical assistance to the CNB's unit charged with ensuring market competition in the financial sector has increased its capacity to investigate cases of abuse of dominant position and agreements that restrict free competition. The unit reviewed 47 cases since March 2003, and brought 35 cases to resolution.

USAID assistance to the CNB contributed to the creation of a highly specialized unit to supervise Information Technology (IT) risk in commercial

banks, and the unit has adopted U.S. IT examination methodology. Since 2003, all commercial banks in Croatia must undergo mandatory IT examinations. Specialized market risk training allowed the Supervision and Research Departments to evaluate and supervise risks posed by derivatives trading in the banking system.

Training in econometric forecasting enabled the Research Department to provide better quantitative insight to CNB management for monetary policymaking.

Implementer: Implementer: Financial Services Volunteer Corps (FSVC); World Learning

Partners: Croatian National Bank, Ministry of Finance

With USAID assistance, the Croatian National Bank created a special Information Technology (IT) Supervision Unit and developed new regulations on minimum IT security standards for commercial banks.



Growth of a Dynamic and Competitive Private Sector

ENERGY RESTRUCTURING



USAID assistance to Croatia's national power utility (HEP), has facilitated Croatia's entry into the regional market and helped it to restructure and unbundle its core activities.

LEFT

Ernestinovo substation re-opened; the future energy community of South East Europe is physically reconnected

Since 2001 USAID has been working to support the Government of Croatia's goal of assuming a leadership role in the creation of a competitive regional power market. Croatia began the process of developing a competitive internal power market several years ago.

By initiating the draft treaty that created the Energy Community of South East Europe in March of 2005, Croatia took the decisive step of joining the regional electricity market, with the ultimate goal of incorporating Croatia into the European Internal Electricity Market.

Coming into compliance with EU Directives governing internal power markets will require that the current monopoly of the Croatian market, presently held by the national power utility (HEP), gradually transitions to a regulated market model. USAID has assisted in key aspects of this process from the outset.

The Croatian Energy Regulatory Council (CERC) is the independent regulatory authority responsible for monitoring the market to ensure non-discrimination, effective competition and the efficient functioning of the market.

USAID has worked with CERC to develop secondary legislation, licensing procedures, public service obligations, transmission fees, data collection and grid codes, thereby enabling the Council to assume its new responsibilities quickly and effectively.

With USAID assistance, CERC joined a regional regulators association (ERRA) to improve regional dialogue on common issues.

USAID is assisting HEP with its fundamental restructuring, including creation of affiliated daughter companies with full separation of accounts. Major areas of support include development of the national market model and economic and technical aspects of the regional power market, along with grid codes and tariff development.

Results

USAID worked closely with the Ministry of Economy in drafting a package of four major energy sector laws that were originally passed in 2001 and were amended in 2005, creating the statutory framework for energy sector restructuring.

A USAID-supported partnership between the Croatian electricity utility (HEP) and the American Electric Power of Ohio (AEP) is providing HEP with valuable insights into utility restructuring and liberalization and security of electricity supply.

A series of exchange visits between CERC and the New York State Public Service Commission under a USAID partnership have increased CERC's understanding of modern regulatory practices.

Implementer: Pierce-Atwood; Hunton & Williams; U.S. Energy Association (USEA); National Association of Regulatory Utility Commissioners (NARUC)

Partners: Ministry of Economy, Labor and Entrepreneurship; CERC - Croatian Energy Regulatory Agency, Hrvatska Elektroprivreda (HEP)

PRIVATIZATION PROGRAM

Croatia's economy continues to be burdened by large subsidies to state-owned enterprises. USAID assists the Croatian Privatization Fund (CPF) to implement the Government's privatization program to divest state ownership in companies and assets in a transparent and competitive manner. Rapid privatization of state owned assets will reduce significant government subsidies; increase investment; improve human capital and marketing capabilities of privatized enterprises; and contribute to the overall competitiveness of the Croatian economy.

USAID assists the CPF with developing company profiles and price estimations; communicating investment opportunities to a wide number of potential investors; improving tendering procedures for the sale of enterprises, including the introduction of bid evaluation criteria emphasizing investment and enhanced transparency; and working with the management of enterprises majority-owned by the Government in the divestiture of non-core assets or subsidiaries. USAID has advised the CPF on hotels, shipyards such as Uljanik, Brodotrogir and 3. Maj, industrial companies such as Duro Djakovic, TLM and Split Steel and major agro-kombinats such as Djakovistina, Kutjevo, IPK Osijek, Belje, Orahovica, Vupik and Ilocki Podrumi.

Given the social and political sensitivity of privatization, USAID advisors also assist the CPF, Ministry of Agriculture and enterprise managers to develop and implement public communication strategies and work with stakeholders to raise the understanding of privatization concerns and issues.

Results

USAID assisted the Croatian Privatization Fund to tender a total of 169 majority owned companies, of which 49 have been sold. These sales have generated approximately 930 million kuna in proceeds for the Croatian Treasury, and buyers have made commitments to invest 2.5 billion kuna in the newly-privatized enterprises.



ABOVE

Uljanik shipyard located in Pula received USAID assistance in preparing their plans for privatization.

Over the past year, 14 government owned companies were sold, producing approximately \$42 million in sales proceeds and over \$92 million in investment commitments.

USAID also assisted in the development of transparent Government of Croatia procedures for the selling off government owned minority share packages over Croatia's two stock exchanges. As a result, 252 enterprises have been sold in this manner since the start of the project.

Perhaps the most important impact of USAID assistance in privatization has been in the agricultural sector. The five largest agrocombinats in the country have been privatized through USAID assistance, and the sixth largest is in the process of major restructuring and asset sales.

The successful privatization of these agrocombinats, large integrated farm production and food processing conglomerates in dairy, cereals, meat, and wine, brought new ownership with strong positions in regional markets and preserved thousands of jobs in depressed rural areas.

Implementing partner: IBM Business Consultants

Partners: Croatian Privatization Fund; Ministry of Agriculture, Forestry and Water Management; Ministry of Economy, Labor and Entrepreneurship

More Effective Citizen Participation and Effective Governance

LOCAL GOVERNMENT REFORM

USAID and 47 Croatian cities, towns and municipalities have joined forces to improve public finance, procurement and asset management. By the end of the project, about 300 of Croatia's 567 local governments will have benefited from USAID assistance.



ABOVE

Using USAID's asset management model, the City of Varazdin conducted an inventory of the city's assets. Previously 200 assets were registered. After implementing the USAID model they registered another 1800 assets. Consequently, the city was able to sell 200 of these assets that generated 200 million kuna for the city's budget.

LEFT

USAID Assistant Administrator, Dr. Kent Hill presented an Outstanding Citizen Achievement Award to Paul Unger of Cleveland, Ohio for his leadership in initiating innovative training programs for Croatian public officials.

As part of its plan to join the European Union, Croatia is implementing the Government's fiscal decentralization plan. This plan transfers authority to local governments and meets the compliance requirements of the European Charter on Local Self-Government. The Local Government Reform Project (LGRP) addresses the most urgent needs of cities, towns and municipalities as they assume greater responsibilities in management of their budgets, culture, health and education. Through training and technical assistance, LGRP provides local governments with modern financial and public administration skills. Perhaps more importantly, it introduces basic public management models that enable local officials to address the increased demands of decentralization and helps them to provide more transparent, responsive and accountable services. Successful decentralization places citizens closer to political affairs, allowing them to track the performance of their elected

officials and monitor the management of resources.

By the end of project in 2007, about 300 local governments will be using public administration practices that will improve their efficiency and the democratic responsibilities of citizens.

Results

Over 6,000 assets valued at approximately \$1 billion were identified in the cities of Varazdin, Karlovac and Split. Many of these assets were never included in the registers and many are already generating new revenue for these cities.

Through USAID's "twinning" program Port Townsend, Oregon, a tourist destination in northwest U.S. is working with Porec, Umag and Rovinj to make their towns more effective in attracting tourists. Kansas City, Kansas and Karlovac are cooperating to improve public services such as supporting enterprise development and asset management. The Northeast Oregon Economic Development District, an

association of Pendleton and La Grande cities, is working with the towns of Buzet, Labin and Pazin to increase agriculture tourism. And most recently, Monterey, California and the City of Dubrovnik are seeking ways to increase off-season revenues by improving services that will attract more international conference and convention business.

USAID in partnership with Cleveland State University and the University of Rijeka developed Croatia's first post-graduate public administration program. The program was approved by the University and the Ministry of Education as a bona-fide post-graduate degree program. Five professors from the University of Cleveland are conducting lectures to nine students that will graduate in 2006. This post-graduate program is being considered at four other universities throughout the country.

Implementer: The Urban Institute

Partners: partner cities and towns, Government Central Office for State Administration, Association of Cities and Municipalities, International City/County Management Association

LOCAL GOVERNMENT REFORM



Twinning Cities:

Porec, Umag & Rovinj - Port Townsend, Oregon

Buzet, Labin & Pazin - Northeast Oregon Economic Development District, Association of Pendleton and La Grande cities

Karlovac - Kansas City, Kansas

Dubrovnik - Monterey, California

More Effective Citizen Participation and Effective Governance

SUPPORT FOR NGOs (CroNGO)



37,000 persons benefited from 221 USAID funded community improvement projects that involved the participation of 62,000 citizens.

LEFT

Over 4,000 students and approximately 100 youth from Pula were involved in organizing youth city council elections in March 2004. Local citizens were very positive about this project, emphasizing that ZUM, a local youth NGO presents a new healthy voice in the city.

Croatian non-governmental organizations (NGOs) have played an important role in building democracy and strengthening citizen's participation. The sector is addressing citizens' needs, providing services, influencing decision-makers, and mobilizing citizens. Civil society continues to grow with more than 27,000 registered associations. NGOs working in the areas of human rights, gender issues, political process, environmental protection and social services are among the most active. However, Croatian civil society organizations continue to grapple with problems of financial and organizational sustainability. To address these issues, USAID refocused and extended its CroNGO program for additional three years to work in the following areas:

Community Partnership Program (CPP) provides small financial and technical support to local NGOs that deal with economic development, tourism promotion, and civic community spaces. This component is implemented in partnership with three regional partners: Association MI, OGI and SMART.

Sector Development Program is an integrated grant, training and technical assistance program that addresses key weakness in the sector, including advocacy, capacity building, and financial viability, and volunteerism and NGO visibility.

Institutional Support Program supports several key institutions that serve as resources and sources of support for Croatian NGOs, including the National Foundation for Civil Society Development; Government Office for Cooperation with NGOs; Trainer's Forum; and Donor's Forum.

NGO Legal Reform Program assists Croatian partners to strengthen the NGO legal and fiscal framework and capacity to implement new legislation. In coordination with the Government, CroNGO will assist with drafting and enacting the Law on Funds and Foundations; Law on Volunteerism; Code of Good Practices in Distribution of Public Funding to NGOs and other related regulations.

Results

Legal framework improved by adopting the Law on Associations, the Law on the National Foundation for

Development of Civil Society, Freedom of Information Act, and the tax law reforms benefiting NGOs.

Created grant-making organizations in three major regions of the country, including Association MI, SMART and OGI.

Supported NGO service and infrastructure programs in 200 communities benefiting 37,000 beneficiaries;

Promoted corporate philanthropy and NGO/business partnership as a desirable practices for local businesses results in long-term partnerships between Zagrebacka Banka and Croatian Guide Dog and Mobility Association.

Implementer: Academy for Educational Development (AED)

Partners: European Center for Not-For-Profit Law (ECNL), Non-profit Enterprise and Self-Sustainability Team (NESST), Association MI (Split), OGI (Osijek), SMART (Rijeka)

SUPPORT FOR NGOs (CroNGO)



PREVENTION OF TRAFFICKING IN PERSONS

On the international level, trafficking in persons (TIP) is one of the most profitable “black market” businesses. In East and Southeast Europe, people are trafficked into Western Europe through many routes, a minority of which are through Croatia. Croatia communities near the borders with Bosnia-Herzegovina and Serbia-Montenegro are transit points into the larger and more profitable European markets. Sometimes human traffickers also use these rural and often poor communities to recruit Croatian victims. USAID’s two-year program strengthens efforts to combat trafficking by raising awareness at the local, national and regional levels. It also maximizes effective collaboration between local non-governmental organizations (NGOs) and the Croatian Government.

Raising Awareness in Local Communities about the Risks of Trafficking: Through a small grants program, this project raises public understanding of the risks of trafficking and helps make the crime more identifiable and subject to law enforcement. It provides the public

with information on where to turn when they detect cases of trafficking and wish to activate prosecution of traffickers and assistance to victims.

Increasing Knowledge of Professionals in Anti-Trafficking:

Under the sponsorship of the National Committee for the Suppression of Trafficking in Persons, two inter-agency workshops will be organized incorporating relevant ministries (Interior, Justice, Foreign Affairs, Health, Education, Labor and Social Welfare, Tourism), the Office of Human Rights, NGOs and the bar, to launch development of concrete implementation strategies for the National Action Plan. To reduce incentives for trafficking through Croatia, cooperation among border and local government officials, as well as NGOs, especially along Croatia’s borders with Bosnia and Herzegovina will be intensified.

Results

The Government of Croatia adopted an action plan to combat trafficking in persons for 2005 – 2008 that broadly follows recommendations from the

USAID-sponsored workshop held in June 2004.

Four NGOs competitively selected to receive small grants in the areas of prevention and education with a focus on youth.

17 of 21 county officials identified (in conjunction with the National Committee for the Suppression of Trafficking in Persons) as the county’s main TIP liaisons with the central and local government.

Implementer: World Learning/STAR

Partner: National Committee for Suppression of Trafficking in Persons

USAID is raising awareness and educating the public, media, law enforcement officials and policy makers about the problems related to trafficking in persons.

LEFT

A USAID sponsored workshop brought together members of the Croatian Government, Croatia’s NGO sector and the international community to review the progress to date in combating trafficking in persons in Croatia. In July 2004, with USAID assistance, a working group was formed to draft a new national action plan that was provided to the Government of Croatia with concrete recommendations and an operational plan for 2005-2008.

**NATIONAL PROGRAMME
FOR SUPPRESSION
OF TRAFFICKING
IN PERSONS 2005 -2008
+ACTION PLAN FOR THE
SUPPRESSION
OF TRAFFICKING IN
PERSONS FOR 2005**

PARTICIPANT TRAINING PROGRAM

RIGHT

USAID co-funded study trips for six Croatian commercial court judges to the Nashville, Tennessee's Bankruptcy Court, in cooperation with and financial support from the U.S. National Conference of Bankruptcy Judges. The result has been a very positive and unique exposure of Croatian commercial, municipal and county court judges to efficient and effective U.S. case and bankruptcy management practices that will serve to facilitate the Croatian transition to automated systems and effective court management.

"This program was all the more meaningful because the Zagreb Commercial Court and the U.S. Bankruptcy Court memorialized their Sister Court relationship at the office of the Mayor of Nashville"



Croatia's greatest resource is the talents and resources of its people. The introduction of life-long learning in developed countries has lead to a major increase in productivity and innovation. Skilled Croatians are needed to restructure economic, political, judicial and civil institutions—a major requirement for EU accession. To address this need USAID has financed professional training for over 2200 Croatians since 1994.

USAID-funded training helps Croatians build new skills. More importantly, it offers Croatians exposure to different ways the United States and other countries address challenges similar to their own. USAID-funded training also improved technical capabilities, changed attitudes, and stimulated new ideas and innovation. It also helped solve every-day problems. Each training event was carefully tailored to support the aims of U.S. assistance and be relevant to the participating professional. As a result of USAID training, many participants established long-term contacts with their counterparts in other countries.

Participants come from diverse fields and areas of expertise in Croatia: government and ministry officials, parliamentarians, judges, state attorneys, mayors, NGO representatives, media, local government officials, bankers, business managers, tourism sector representatives, leaders and experts from trade unions and employers association etc.

Results

USAID training helped Croatian parliamentarians introduce public hearings at the Croatian National Parliament. Eleven parliamentarians attended a training program in Washington State to learn about the role of legislative committees, and in particular, the incorporation of citizens views in the policy development process.

Officials from the Ministry of Agriculture, Forestry and Water Management, Ministry of European Integration and from Croatian Chamber of Commerce used an USAID study tour to the Czech

Republic to prepare a plan for allocating and dispersing European Union accession funds in Croatia.

USAID training helped a leading, and a NGO for guide dogs for the blind form a partnership that raised approximately \$60,000 for the NGO.

Implementer: World Learning